

CITY COUNCIL AGENDA

APRIL 13, 2004

SYNOPSIS

LINDA J. LE ZOTTE
FORREST WILLIAMS
CINDY CHAVEZ
CHUCK REED
NORA CAMPOS

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

RON GONZALES MAYOR

KEN YEAGER
TERRY O. GREGORY
DAVID D. CORTESE
JUDY CHIRCO
PAT DANDO, VICE MAYOR

DISTRICT 6
DISTRICT 7
DISTRICT 8
DISTRICT 9
DISTRICT 10

Welcome to the San José City Council meeting!

This Agenda contains both a Consent Calendar section for routine business items that require Council approval, and general business items arranged to correspond with San José's City Service Areas (CSAs). City Service Areas represent the policy-making level for strategic planning, policy setting, and investment decisions in the critical functions the City provides to the community. They are:

- ***Strategic Support Services*** — The internal functions that enable the CSAs to provide direct services to the community in an effective and efficient manner.
- ***Economic and Neighborhood Development*** — Manage the growth and change of the community in order to create and preserve healthy neighborhoods and ensure a diverse range of employment and housing opportunities.
- ***Recreation and Cultural Services*** — Serve, foster, and strengthen community by providing access to lifelong learning and opportunities to enjoy life.
- ***Transportation Services*** — A safe and efficient transportation system that contributes to the livability and economic health of the City.
- ***Environment and Utility Services*** — Manage environmental services and utility systems to ensure a sustainable environment for the community.
- ***Aviation Services*** — Provide for the air transportation needs of the community and the region at levels that are acceptable to the community.
- ***Public Safety Services*** — Commitment to excellence in public safety by investing in neighborhood partnerships as well as prevention, enforcement, and emergency preparedness services.

Items listed in Section 10 require approval of both the City Council and the San José Redevelopment Agency Board.

You may speak to the City Council about any item that is on the agenda, and you may also speak on items that are not on the agenda during Open Forum. If you wish to speak to the City Council, please refer to the following guidelines:

1. **Fill out a Yellow Speaker's Card and submit it to the City Clerk seated at the front table. Do this before the meeting or before the item is heard.** This will ensure that your name is called for the item/s that you wish to address, and it will help ensure the meeting runs smoothly for all participants.
2. When the Council reaches your item on the agenda, Mayor Ron Gonzales will open the public hearing and call your name. Please address the Council from the podium, which is located to the left of the City Clerk's table.
3. Each speaker generally has two minutes to speak per item. The amount of time allotted to speakers may vary at the Mayor's discretion, depending on the number of speakers or the length of the agenda.
4. To assist you in tracking your speaking time, there are three lights located to the far right of the podium. The green light turns on when you begin speaking; the yellow light turns on when you have 30 seconds left; and the red light turns on when your speaking time is up.

Please be advised that, by law, the City Council is unable to discuss or take action on issues presented during Open Forum. According to State Law (the Brown Act) items must first be noticed on the agenda before any discussion or action.

The San José City Council meets every Tuesday at 1:30 p.m. and every first and third Tuesday at 7 p.m., unless otherwise noted. If you have any questions, please direct them to the City Clerk's staff seated at the tables just below the dais. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings.

Agendas and Staff Reports for City Council items may be viewed on the Internet at www.sanjoseca.gov/clerk/agenda.htm

To arrange an accommodation under the Americans with Disabilities Act to participate in this public meeting, please call 1 (408) 277-4424 or 1 (408) 998-5299 (TTY) at least two business days before the meeting.

On occasion the City Council may consider agenda items out of order.

- **Call to Order and Roll Call**
9:34 a.m. - Closed Session, Room 600, City Hall
Absent Council Members: Chirco, Dando, Gregory. (Excused)

1:35 p.m. - Regular Session, Council Chambers, City Hall
Absent Council Members: Chirco, Gregory. (Excused)
- **Invocation (District 4)**
Filbert Zhang, the Digital Club House presented his video of Hernando Manaois' personal history from the Battle of Bataan.
- **Pledge of Allegiance**
Mayor Gonzales led the Pledge of Allegiance, along with the Filipino and American Veterans of World War II.

Vice Mayor Dando congratulated and commended the Digital Club House for recording stories such as the "Bataan Death March". Vice Mayor Dando expressed appreciation on behalf of Mayor Gonzales, the City Council, to the Filipino and American Veterans for all the sacrifices they gave to the United States.
- **Orders of the Day**
The Orders of the Day, and the Amended Agenda were approved.

1 CEREMONIAL ITEMS

- 1.1 Presentation of a proclamation to the Fil-Am Veterans declaring April 13, 2004, Bataan Day. (Reed)

Mayor Gonzales was joined at the podium by Council Member Reed to declare April 13, 2004 as Bataan Day, also known as the Day of Valor, in honor of the American and Filipino Troops who defended the Bataan Peninsula in the Philippines against the Japanese attack during World War II. Council Member Reed invited survivors of the “Bataan Death March”, Andrés Cudál, Commander Hernando Manaois, Crispin Quindiagan, and Domínador Valdez, to the podium. Council Member Reed commented on December 7, 1941 the Japanese Navy attacked Pearl Harbor and almost wiped out the Pacific Fleet, and within hours the Japanese began bombing Manila. He remarked the mission of the Filipino and American forces was to stall the Japanese advance for as long as possible in order for the United States to rebuild its fleet in readiness for war. Council Member Reed commented the Filipino and American defenders of Bataan fought without reinforcements and supplies, and on April 9, 1942, the day known as Bataan Day, thousands of soldiers died during the “Death March”, with nearly 20,000 Filipinos dying in the first 4 months of captivity. Council Member Reed asked for all the Veterans and survivors of World War II in the audience to stand up and be recognized. Mayor Gonzales presented a plaque in honor of Bataan Day to Commander Manaois. Commander Manaois thanked Mayor Gonzales, Council Member Reed, and the City Council for the honor.

- 1.2 Presentation of a proclamation recognizing the week of April 11th-17th as National Public Safety Dispatchers Week in San José. (Mayor)
(Orders of the Day)

Mayor Gonzales invited Police Captain Walt Tibbet and Communication Supervisor Cynthia Keehen to the podium. Mayor Gonzales remarked the dedicated Public Safety Dispatchers serve communities throughout the United States and Canada by professionally handling calls from the public for Police, Fire and emergency medical attention, and working difficult hours under stressful conditions. Mayor Gonzales stated that the Public Safety Dispatchers are a critical communications link between the residents and front line emergency personnel, and must respond swiftly to help those who call 9-1-1 to reduce personal injury and damage. Mayor Gonzales commented through their commitment to professional development, training and participation in professional organizations, Public Safety Dispatchers enhance their skills, knowledge and leadership to improve public service and strengthen emergency response capabilities, and communication systems. Mayor Gonzales remarked the City of San José appreciates the men and women who serve as Public Safety Dispatchers, and recognizes the critical role they play to protect the safety, life and property of the people who live and work in San José. Mayor Gonzales, on behalf of the City Council, proclaimed the week of April 11 through April 17, 2004, as National Public Safety Dispatchers Week in the City of San José commending and honoring the Public Safety Dispatchers for their vital contributions. Ms. Keehen thanked Mayor Gonzales and the City Council for the honor on behalf of all the Public Safety Dispatchers.

2 CONSENT CALENDAR

2.1 Approval of Minutes.

There were none.

2.2 Final adoption of ordinances.

There were none.

2.3 Approval of an agreement for the North Concourse Project and Central Plant Expansion Project at the Airport.

Recommendation: Approval of an agreement with Engineering Economics, Inc. for consultant services for quality assurance commissioning of the planned North Concourse Project and Central Plant Expansion Project at the Norman Y. Mineta San José International Airport, for the period from March 15, 2004 to September 30, 2008, in an amount not to exceed \$224,062. CEQA: Resolution Nos. 67380 and 71451, PP03-09-275. (Airport)

Approved.

2.4 Approval of various fiscal actions for Redevelopment Agency Capital Projects.

Recommendation:

- (a) Adoption of appropriation ordinance and funding sources resolution amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund) for the University SNI Pedestrian Light Project (PSM 352) Project with a net impact to the fund of \$60,000.

Ordinance No. 27116 adopted.

Resolution No. 72047 adopted.

- (b) Adoption of a resolution making certain determinations regarding the related expenditures of Redevelopment Agency funds on certain public improvements in connection with the University SNI Pedestrian Light Project as more specifically described in the memorandum from the Redevelopment Agency, dated March 8, 2004.

CEQA: Not a Project. Council District 3. SNI: University. (City Manager's Office)

Resolution No. 72048 adopted.

2 CONSENT CALENDAR

2.5 Approval of open purchase orders for the purchase of supplies, materials, equipment, and services.

Recommendation: Approval of award of open purchase orders for supplies, materials, equipment, and services for FY 2003-2004 #19, and authorization for the Director of General Services to execute the purchase orders. CEQA: See memo for CEQA designation(s). (General Services)

Approved.

2.6 Report on RFQ for coating and rehabilitation tank work for the Water Pollution Control Plant.

Recommendation:

(a) Report on Request for Quotation (RFQ) for coating and rehabilitation of clarifier tanks and approval of award to George E. Masker, Inc., for a total cost of \$253,000 including taxes and freight.

(b) Authorize the Director of General Services to execute the service order. CEQA: Exempt, PP03-04-112. (General Services)

Approved.

2.7 Approval to provide certifications for an application for grant funding associated with the Burbank/Del Monte Community Center Project.

Recommendation: Adoption of a resolution providing additional certifications required by the State for completion of the City's application for a \$3,000,000 grant request under Proposition 40, the Urban Park Act of 2001, associated with the Burbank/Del Monte Community Center Project. CEQA: Exempt, PP03-12-376. Council District 6. SNI: Burbank/Del Monte. (Parks, Recreation and Neighborhood Services)

Resolution No. 72049 adopted.

2.8 Approval of the annexation of McKinley No. 109.

Recommendation: Adoption a resolution ordering the reorganization of territory designated as McKinley No. 109, which involves the annexation to the City of San José of 0.62 gross acre of land located at the southeast corner of White Road and Buckner Road, and the detachment of the same from the County Lighting Service, Central Fire Protection, Area No. 01 (Library Services) County Service, and County Sanitation District – 2-3. CEQA: Resolution No. 65459. Council District 5. (Planning, Building and Code Enforcement)

Resolution No. 72050 adopted.

2 CONSENT CALENDAR

2.9 Approval of the 2002-2004 Spending Plan for the Supplemental Law Enforcement Services Fund.

Recommendation:

- (a) Approval of the proposed increase of \$69,200 to the 2002-2004 Spending Plan for the Supplemental Law Enforcement Services (SLES) Fund.

Approved.

- (b) Adoption of the following amendments to the annual appropriation ordinance and the annual funding sources resolution in the Supplemental Law Enforcement Services Fund (Fund 414) for Fiscal Year 2003-04:

- (1) Increase the SLES 2002-2004 Grant appropriation for the Police Department in the amount of \$69,200;
- (2) Increase the Earned Revenue by \$30,274.
- (3) Decrease the Ending Fund Balance by \$38,926.

CEQA: Not a Project. (Police/City Manager's Office)

Ordinance No. 27117 adopted.

Resolution No. 72051 adopted.

2.10 Approval to award a contract for the Watson Park Skate Facility Project.

Recommendation:

- (a) Report on bids and award of contract for the Watson Park Skate Facility Project to the sole bidder, A.J. Vasconi General Engineering to include the base bid and Add Alternate Nos. 1 and 2 in the amount of \$352,800, and approval of a contingency in the amount of \$35,000.

Approved.

- (b) Adoption of the following appropriation ordinance amendments in the Park Trust Fund:

- (1) Establish the Watson Park Skate Facility Project to the Department of Parks, Recreation and Neighborhood Services in the amount of \$70,000;
- (2) Decrease the Reserve for Future PDO/PIO Projects by \$70,000.

CEQA: Exempt, H03-042. Council District 3. SNI: Thirteenth Street. (Public Works/ Parks, Recreation and Neighborhood Services/City Manager's Office)

Ordinance No. 27118 adopted.

2 CONSENT CALENDAR

2.11 Approval to award a contract for the Plata Arroyo Park Skate Facility Project.

Recommendation:

- (a) Report on bids and award of contract for the Plata Arroyo Park Skate Facility Project to the lowest responsive bidder, Robert A. Bothman, Inc., to include the base bid and Add Alternate Nos. 2 and 3 in the amount of \$408,461, and approval of a contingency in the amount of \$38,000.
- (b) Adoption of the following appropriation ordinance amendments in the Park Trust Fund:
 - (1) Increase the Plata Arroyo Park Skate Facility Project by \$108,000;
 - (2) Decrease the Plata Arroyo Park Improvements Project by \$102,000;
 - (3) Decrease the Reserve for Future PDO/PIO Projects by \$6,000.

CEQA: Exempt, PP03-08-251. Council District 5. SNI: Gateway East. (Public Works/Parks, Recreation and Neighborhood Services/City Manager's Office)

(Deferred from 4/6/04 – Item 2.16)

Deferred to 4/20/04.

2.12 Approval of the City Auditor's travel calendar through June 30, 2004.

Recommendation: Approval of the City Auditor Gerald Silva's travel calendar through June 30, 2004, at no expense to the City. (City Auditor)

(Rules Committee referral 4/7/04)

Approved.

2.13 Acceptance of the Office of the City Auditor's monthly *Report of Activities and Findings through March 15, 2004*.

Recommendation: Acceptance of the Office of the City Auditor's monthly *Report of Activities and Findings through March 15, 2004*. (City Auditor)

(Rules Committee referral 4/7/04)

Report Accepted.

3 STRATEGIC SUPPORT SERVICES

3.1 Report of the Study Session Mayor Gonzales, Chair No Report.

3.2 Report of the Rules in Lieu – April 1, 2004 Vice Mayor Dando, Chair No Report.

3 STRATEGIC SUPPORT SERVICES

- 3.3 Report of the Making Government Work Better Committee**
Council Member Campos, Chair
No Report.

- 3.4 Adoption of a resolution supporting federal transportation funding reauthorization.**

Recommendation: Adoption of a resolution supporting federal transportation funding reauthorization. (Dando, LeZotte)
(Rules Committee referral 4/7/04)

Resolution No. 72052 adopted. Noes: Reed

4 ECONOMIC & NEIGHBORHOOD DEVELOPMENT

- 4.1 Report of the Building Strong Neighborhoods Committee**
Council Member Chavez, Chair
No Report.

- 4.2 Report of the Driving a Strong Economy Committee**
Council Member Williams, Chair
No Report.

- 4.3 Approval of actions related to various Affordable Housing Projects.**

Recommendation:

- (a) Adoption of a resolution:
- (1) Approving funding commitments for a loan of up to \$5,671,900, and a conditional grant of up to \$2,300,000, to CORE Development Inc., or its designated affiliate entity, for the development of the 148-unit Art Ark Housing project, located at the northeast corner of South 5th and Keyes Streets, to be made affordable to extremely low- and very low-income households.
 - (2) Approving a funding commitment for a loan of up to \$8,378,250, to the Housing Authority of the County of Santa Clara, or its designated affiliate entity, for the development of the 130-unit Fairgrounds Family Housing project, located at 350 Tully Road, to be made affordable to low- and very low-income households.

(Item continued on the next page)

4 ECONOMIC & NEIGHBORHOOD DEVELOPMENT

4.3 Approval of actions related to various Affordable Housing Projects (Cont'd.)

(a) Adoption of a resolution

- (3) Approving a funding commitment for a loan of up to \$10,856,800, to ROEM Development Corporation, or its designated affiliate entity, for the development of the 170-unit Fairgrounds Family Apartments project, located at 350 Tully Road, to be made affordable to very low- and low-income households.
- (4) Finding that the use of 20% Housing Funds for the Fairgrounds Family Housing project and the Fairgrounds Family Apartments project is of benefit to the Redevelopment Project Areas in San Jose.

Resolution No. 72053 adopted.

- (b) Adoption of amendments to the annual Funding Sources Resolution and the annual Appropriation Ordinance in the Multi-Source Housing Fund (Fund 448) to:

- (1) Increase Revenue Estimate by \$2,500,000.
- (2) Establish an Extremely Low-Income Housing appropriation to the Housing Department for \$2,500,000.

CEQA: Art Ark Housing, Mitigated Negative Declaration, PDC 03-029; Fairgrounds Family Housing, Resolution No. 71359, PDC 02-040; Fairgrounds Family Apartments, Resolution No. 71359, PDC 02-040. Council Districts 3 and 7. SNI: Spartan/Keyes. (Housing)

Resolution No. 72054 adopted.

Ordinance No. 27119 adopted.

4.4 Public hearing on the 2004-2005 Draft Consolidated Plan.

Recommendation: Public hearing on the 2004-2005 Draft Consolidated Plan Annual Action Plan, including FY 2004-2005 proposed recommendations for the Community Development Block Grant (CDBG) Program, the HOME Investment Partnership Program (HOME), the Housing Opportunities for People with HIV/AIDS (HOPWA) Program, and the Emergency Shelter Grant (ESG) Program. CEQA: Not a Project. (Housing/Parks, Recreation and Neighborhood Services)

The Public Hearing was held.

Staff requested to return with additional information:

- (1) Look at additional funding for Project Sentinel.
- (2) Report on the clients served by Fly and Rohi.
- (3) Report from Office of Economic Development on the recommended funding cut to the Silicon Valley Economic Development Corporation (SVED), and to look at programs previously funded by the Redevelopment Agency in collaboration with the SVED Corporation.
- (4) A clearer understanding of how the changes in the CBO funding are consistent with the Mayor's Budget Message.
- (5) Clarification on public testimony regarding very low-income households. Final City Council public hearing to be held on May 4, 2004.

4 ECONOMIC & NEIGHBORHOOD DEVELOPMENT

4.5 Approval of an ordinance amending the San José Municipal Code to provide for a preference in the award of contracts for local businesses and small businesses.

Recommendation: Approval of an ordinance amending the San José Municipal Code by adding a new Chapter 4.06 and amending Section 4.12.117, adding Section 4.12.118 to Chapter 4.12 and amending Sections 4.13.135 and 4.13.040 of Chapter 4.13 of Title 4 to establish contracting preferences for local and small businesses. (City Attorney's Office) (Deferred from 4/6/04 – Item 4.4)

Deferred to 5/4/04.

4.6 Approval of an agreement for the Coyote Valley Specific Plan, Design Guidelines, and Zoning Districts.

Recommendation:

(a) Adoption of the following appropriation ordinance and funding sources resolution amendments in the General Fund:

- (1) Increase the City-Wide appropriation for the Coyote Valley Specific Plan by \$2,000,000; and
- (2) Increase the estimate for Other Revenue by \$2,000,000.

Ordinance No. 27120 adopted.

Resolution No. 72055 adopted.

(b) Take the following actions in regard to the preparation of the Coyote Valley Specific Plan:

- (1) Approval of a consultant agreement with the Dahlin Group land planning and urban design team to prepare the Coyote Valley Specific Plan, Design Guidelines, and Zoning Districts for an amount not to exceed \$2,000,000.
- (2) Delegate the authority to approve minor amendments to the consultant agreement to the Director of Planning, Building and Code Enforcement to account for increases in funding received from Coyote Housing Group, LLC and minor schedule or task changes that are necessary to conform to the City Council's Vision and Expected Outcomes for the Coyote Valley Specific Plan, and delegate to the Director the authority to extend the term of this agreement for up to 12 months to ensure the successful completion of this planning effort.

CEQA: Exemption, PP03-06-211. Council District 2. (Planning, Building and Code Enforcement)

(Deferred from 3/30/04 – Item 4.6 and 4/6/04 – Item 4.8)

Approved.

5 RECREATION & CULTURAL SERVICES

- 5.1 Report of the All Children Achieve Committee**
Council Member Yeager, Chair
No Report.

- 5.2 Approval of an exception to the City's Subordination Policy.**

Recommendation: Approval of an exception to the City's Subordination Policy allowing the City to subordinate its Community Development Block Grant (CDBG) Loan in the amount of \$794,979 to The Mexican American Community Services Agency, Inc. (MACSA) to the National Cooperative Bank Development Corporation. CEQA: Not a Project. Council District 5. SNI: Gateway East. (Parks, Recreation and Neighborhood Services)
Approved.

6 TRANSPORTATION SERVICES

- 6.1 Report of the Building Better Transportation Committee**
Council Member Cortese, Chair
No Report.

7 ENVIRONMENTAL & UTILITY SERVICES

8 AVIATION SERVICES

9 PUBLIC SAFETY SERVICES

10 JOINT COUNCIL/REDEVELOPMENT AGENCY

- 10.1 Presentation on the development and implementation of One-Voice Service Delivery Pilot Projects.**

Recommendation: Presentation on the development and implementation of One-Voice Service Delivery Pilot Projects. (City Manager's Office/Redevelopment Agency)
Deferred to 4/27/04.

- **Closed Session Report**
No Report.

- **Notice of City Engineer's Pending Decision on Final Maps**
In accordance with Sec. 19.16.140d of the San Jose Municipal Code, this is notice of the City Engineer's pending decision on the following Final Maps:
None.

In accordance with Sec. 19.16.140d of the San Jose Municipal Code, this is notice of the City Engineer's receipt of the following Final Maps for review:
None.

- **Open Forum**
(1) **Vince Guasch, Parsley Sage Rosemary Thyme, spoke of issues related to the planning of the San José Museum of Art's 35th Anniversary.**

- **Adjournment**
The Council of the City of San José adjourned in memory of Herman Levy, a member of the Human Rights Commission, law professor at the University of Santa Clara, and long time San José resident.

The Council of the City of San José adjourned at 2:36 p.m.

7 JOINT REDEVELOPMENT AGENCY/COUNCIL

The Council of the City of San José convened at 2:42 p.m. to hear Item 7.1 in a Joint Session with the Redevelopment Agency.

7.1 Approval of actions for the sale of Merged Area Redevelopment Project Tax Allocation Refunding Bonds Series 2004 in an aggregate principal amount not to exceed \$700,000,000.

Recommendations: City Council and Agency actions including:

- (a) Adoption of a resolution by the Agency Board.
 - (1) Authoring the issuance of Merged Area Redevelopment Project Tax Allocation Refunding Bonds Series 2004A in a principal amount not to exceed \$700,000,000 (the “Refunding Bonds”); and approving in substantially final form the Seventh Supplemental Indenture of Trust with Union Bank, as Trustee;
 - (2) Approving the negotiated sale of Bonds to a team of Underwriters senior managed by JP Morgan Securities, Inc.;
 - (3) Approving in substantially final form the Preliminary Official Statement (POS) and Bond Purchase Agreement, and authorizing the Underwriters to distribute the POS;
 - (4) Authorizing the Interim Executive Director to execute the Bond Purchase Agreement provided that the Refunding Bonds generate a present value savings of at least three percent of the par amount of the Bonds being refunded;
 - (5) Authorizing all officers, agents and employers to take such actions and execute such documents necessary and desirable to accomplish issuance of the Bonds;
 - (6) Authorizing the Interim Executive Director to purchase municipal bond insurance and purchase a surety bond for the Bonds.

Redevelopment Agency Resolution adopted.

- (b) Adoption of a resolution by the City Council approving the issuance of Merged Area Redevelopment Project Tax Allocation Refunding Bonds Series 2004A in a principal amount not to exceed \$700,000,000.

[MEGED]

Resolution No. 72056 adopted.

Staff directed to:

- (1) **In regard to the Capital Improvement Projects 5 Year Plan, clarify how each project is being funded, including the source of funding.**
- (2) **Clarify and confirm the job loss numbers in reference to the Labor Force Employment and Unemployment chart.**

ADJOURNMENT

The Council of the City of San José, and Redevelopment Agency Board adjourned at 2:50 p.m.